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EDITED TRANSCRIPT

EMN.N - Eastman Chemical Co at Barclays Industrial Select Conference

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OVERVIEW:

Company Summary

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CORPORATE PARTICIPANTS

Mark J. Costa *Eastman Chemical Company - Chairman & CEO*

CONFERENCE CALL PARTICIPANTS

Michael James Leithead *Barclays Bank PLC, Research Division - Research Analyst*

PRESENTATION

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

I think we'll go ahead and get started. For those of you who don't know, Mike Leithead, head of U.S. Chemicals and Packaging here at Barclays. Really happy to have Eastman here with us today, Mark Costa, Chairman and CEO; and Greg Riddle, longtime IR guy, who heads all that up. So before we start, we're going to start with the ARS questions. Audience response if everybody can get their clickers, we'll fire those up.

QUESTIONS AND ANSWERS

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Do you currently own the stock; over weight, market weight, under weight. No?

(Voting)

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

OK looks like we have some owners in there. Next question. Greg might be skewing the results. What is your general bias towards the stock right now, positive, negative or neutral?

(Voting)

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Okay. Seems mostly positive. Next question. In your opinion, through-cycle EPS growth for Eastman will be above, in line or below peers?

(Voting)

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Okay. It seems like a mix between above and in line. Next question. In your opinion, what should Eastman do with excess cash, bolt-on M&A, larger M&A, repos, divis, debt pay down, internal investment?

(Voting)

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Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Okay. It seems like share repurchases is the quorum for right now. Next question. In your opinion on what multiple of '24 earnings should Eastman trade? We can have a spectrum from less than 10 to higher than 21. I know Greg's have on 6 out there. Mark, unfortunately, we don't give you a clicker.

(Voting)

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Okay. It seems like a mix here. Most people between 10 and 15. Last question, I believe. What is the most significant share price headwind facing Eastman, core growth, margin, cap deployment or strategy?

(Voting)

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Okay. It seems like core growth is #1 and frankly, have been a pretty common theme. I think for a lot of companies so far people trying to get a sense of the growth. So look, Mark, really appreciate you guys being here today. I'm always happy to have Eastman here. Maybe just to kind of start off big picture to kind of help level set things. You guys are obviously in a lot of different regions, a lot of different end markets, you said you just came back from Europe last night. I mean maybe just do a quick tour around the world. What are you seeing in terms of growth or outlook just kind of as you see it today?

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

Sure. I'd like to start with end markets and then talk about region. Overall, what we're seeing is what we said on the call, right, end markets were stable on the discretionary side at a pretty low level. Destocking is pretty much over in all markets that we serve, and we do serve a pretty wide range with the exception of ag still doing some destocking in medical.

And then I would say auto didn't have destocking last year and end market will be similar to slightly lower this year than last year. That would be sort of what we see on a global basis. And we do have positions in all these end markets across the globe and what those comments suggest. But it's good to see the destocking over and you can definitely see order patterns starting to show that gap of orders being better this year in January, February than last year in the way you would expect.

So it's at least comforting to see that lift with that lack of destocking. I would say on single markets like personal care, water treatment, pharma, ag et cetera, those markets have all been relatively stable in market demand. They've been off a bit last year with destocking now I'd say the destocking is definitely over in those, and you see some modest growth in those segments consistent with what you might see in other data report.

So with that, then you build this sort of outlook for where we look to grow in that market context. By the way, China bad, Europe, not great, U.S. better, which I think is probably consistent with what everyone says. I think that's fairly obvious. But we're creating a lot of our own growth on top of that. So we have a lot of innovation going on that gives us lift. I'm sure we'll get to it later on methanolysis, but that's creating a lot of growth on top of the market.

We also still have a lot of lift in automotive where we create our own growth with very high penetration of more cars adopting HUD installations. for heads-up display, even though EVs are growing less maybe than what people aspired, they're still growing faster than ICE cars, and we get 3x the square meters in an EV relative to an ICE car, for example, at much higher prices because they're very sophisticated interlayers that they want to get. So there's a lot of places where we can create our own growth in that market context.

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So overall -- and I'd say volume in the specialties is coming in a little bit better than expected, but not meaningfully and it's sort of across all markets. So things on the demand side are holding in well. Of course, like everyone will tell you, March is everything. So at this point, you don't really know until you get through March. And so I think on that side, everything is holding up sort of reasonably okay. The offset to some of that is just really high propane prices and chemical intermediates is sort of offsetting some of that volume improvement from an earnings point of view.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

No, it makes a lot of sense. And then as we kind of take that and maybe carry it forward to '24, I think you guys just reported 4Q results laid out, I think, a pretty helpful bridge to earnings growth despite, I think, what I'd argue is a pretty choppy or mix macro picture. So can you maybe just kind of flesh that out a little bit, just your confidence in how Eastman is able to grow your own earnings in spite of in some ways, this macro backdrop?

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

Yes. So for first, I don't think we've been able to sort of call the macro economy very well in January relative to how things play out through the year really since 2017 as an industry. I mean no one sort of got that right. So we took a different approach this year, which is I'm not going to call it, right? We're just going to assume end markets are flat and then build a forecast around that and let you all have your own opinions about where markets are going to go up or down.

And that's really how we built the forecast. It does have a wide range because we really don't know where markets are going to go. But the core starting point was just getting destocking behind us, right? So a big hit of the demand. We told you $450 million of variable margin down last year just due to volume and mix. And we've estimated about 1/3 of that as destocking. It could be a little bit more than that, but 1/3 to be conservative.

And so we just have that as not a headwind, right? So it's an easy comp, if you will, right, if the markets stay flat. So you get that back, and I would say the first 2 months are confirming that very to be true. Then you get some stability in modest growth in some of these stable markets, but call it, 2% to 3% in what we sort of put in the assumption there off of sort of a low starting point, right? So not getting back to normal by any means or at least growing a little bit -- and then you've got all the innovation, right? So you've got the $75 million of EBITDA as incremental growth in earnings relative to last year that sort of adds to some of the innovative growth and some of the things I just mentioned, where we can create growth in automotive markets and some others. That's sort of the volume story, right?

And as that volume starts to plays out, you also just get the $100 million of asset utilization headwind back. So we went way beyond demand and pulling inventory down to generate cash, which we did very well with the focus that we had on that. And so -- but that came with a noncash headwind to earnings last year of asset utilization because you're effectively pulling cost out of inventory that from 2022, right? So that $100 million comes back, and that's all in the back half of the year. And from an accounting point of view where that utilization headwind showed up.

So that's part of why second half is so much better than first half. Same is true with the start-up of the methanolysis plant that $75 million incremental EBITDA is very back-end loaded as you're ramping the plant up through the first half of the year and bring the revenue in -- really in the back half in a meaningful way. So those all sort of combine together to give you some tailwinds. From an inflation point of view, we're taking enough cost actions to offset inflation. And so that allows also more incremental flow-through as you go through the year. There are a few offsets to that, of course.

One is we've got some capability investments, higher turnaround schedule this year than last year, about $50 million headwind that we're not offsetting with our cost actions. And then there's some timing of orders and fluids that we called out as well as from a first quarter point of view, timing and customer buying and fibers. That's a bit of a headwind. And then the question then becomes, where are spreads going to go for us. There's a lot of divergent opinions about where spreads going to go this year across companies. What I'd say is our view is, in the specialties, we did an extraordinarily good job last year, right?

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We had a $450 million volume headwind, $50 million FX headwind, offset all of that in holding prices really well relative to raw material, energy and distribution cost tailwinds. And that's pretty extraordinary. And our intention is to hold those prices as best as possible, but there will be from that altitude, some sharing of our raw material tailwind that will occur with investors.

But we also expect more raw material energy flow through just from inventory. So spreads are going to be sort of neutral. But I wouldn't call them a tailwind or a meaningful headwind in the 2 specialty businesses. Our fibers spreads are going to be better. Earnings will be a bit better relative to last year as we continue on that business. And then chemical intermediates is difficult to predict, right? So in January, propane prices was one thing. Today, they're much higher. By April, they'll be lower. So there's a certain amount of volatility to that. And so we're not forecasting some big improvement in spreads in olefins or acetyls. We definitely think olefins will be better this year than last year, but it's hard to call how much. And we're a fairly sort of neutral on the acetyl side.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Got it. I do want to pivot over to methanolysis because, again, I think that's, in my opinion, one of the more interesting ESG or circular, you name it, stories in the space right now. So can you kind of talk a little bit, obviously, you have your Kingsport facility that's, I believe, on the verge of starting up. So can you maybe just flesh that out a little bit sort of where we are in that process? And then just sort of how you think about kind of moving forward beyond startup here?

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

So we're very excited about the circular platform. The methanol is playing Kingsport will be, by far, the world's largest chemical recycling facility built and especially in the polyester world, by far the largest. So we're excited to be a leader in this. It is a proven technology that we've had for a long time that ran for Kodak and operated for 30 years, as we told you, at a smaller scale, about 40,000 tonnes. This plan is 100,000. So we feel about the -- the core technology is not a lab experiment. It's something that's been commercial in the past. But it is a bigger plant, and it is using a much wider range of feedstock from plastic packaging waste, to textiles to carpet fibers.

So there's more complexity on the purification side of that plant when you put in that divergent set of feedstock. So it's constructed, it's been built. It's construction completed pretty much in the second week of November. There's a huge amount of commissioning activity going on in the plant. It's a very large complicated plant. And we're behind schedule, as we've said, sort of declaring that we have on spec recycled content. And it's mostly been delays of very small little mechanical issues. So there's nothing significant we've run into from a process technology point of view or design point of view in that sense.

We've been operating all parts of the facility reasonably well with chemicals in each part of the plant. But as we get ready to start flowing the raw materials, which are present in the first part of the plant through the rest of the plant, we've run into small mechanical issues, a pinhole leak in the heat transfer fluid, a pump that wasn't designed properly. These are all little sort of mechanical quality issues that occurred during the supply chain crisis.

So a painful lesson that's been -- because the issues are way above normal. But they're -- poor welding in some place or another that you're still finding as you're heating the plant up, that changes the metallurgy and then you find a leak that didn't exist when it was cold. Or as you're starting to ramp different materials through different pumps and vacuums and then there are suddenly other equipment that just wasn't properly constructed.

So it's right on that edge of being on spec and then something comes up that we got to stop everything and fix it before we keep going. We've gotten through what we believe are most of the issues, but we still got to get to that on spec and hopefully, in the next sort of 7 to 14 days will be there. And you all know because trust me, our customers are very keen and excited to get access to this material, and we'll have a press release once we feel like we're on spec.

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Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Great. Okay. And then maybe moving forward, you guys have talked about potentially 3 plants, a second plant in the U.S. as well as a plant in Europe. I believe last quarter, you talked about wind up -- in my words, I hit a few more mile markers before you're kind of fully willing to declare FID, you put shovels in the ground. Can you maybe just talk a little bit more about what those gating factors are sort of rough time line for investors about how we should think about those over the next year or 2?

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

Yes. So I think that for all plants, starting with Kingsport and the next 2 plants, one of the biggest issues that we all wondered about is can we get feedstock because it's garbage and why there's 300 net tons of around 1 million tons around the world, it's hard to access. And we have actually feel very good about the feedstock question, right? The next question whether its -- can you get customers. And we have many customers for the Kingsport plant that are very interested in when this plant comes up and running and want to buy material here to deliver that $75 million of EBITDA we've identified.

So we feel good about how we're getting started with where the prices are in demand. We're very excited to have Pepsi as a partner with a very large contract for our second plant here, making good progress on the contracts with customers in Europe. So that is feeling like it's all sort of headed in the proper direction. CapEx was obviously an overrun issue in the first plant. So we're spending a lot of time just getting the plant up and running, but also really thinking through why did that happen? How much of that is the nature of the plant or things that are unique to the environment of building in '21 and '22 and '23.

And most of the capital overrun is connected to sort of extreme inflation, serious issues around contractor competence and doing a lot of the pipe welding and there's a lot of pipe in this facility. And we are engineering the plant while we're building it on purpose to get a sort of 2-year jump on the market, while we're still running the pilot plan on some design issues.

And so that just kept changing scope and that's very disruptive on our capital construction project. So there's no question on inflation there, but a lot of the overrun in the first plant was driven by the sort of productivity issues and some of the scope change issues, which will not repeat because we're building the same plant again 2 more times. So all the scope will be locked. We have a lot of insight around how to manage the contractors better and get better contractors. So we've got 2 top firms working with us on that.

But there's still is inflation on labor rates and some materials. So we're working through all that. We believe we have a pathway to get the CapEx into the right spots for both those projects to have about a 12% return to be clear, even with the capital overrun on Kingsport, we're above 15% return on that based on our current forecast. So I think we've got a line of sight on that, and we've made great progress on getting additional incentives in France so that we have that aid on some of this inflation.

And then, of course, policy has to get put in place properly, in particular, in Europe, they're right now, finalizing all the rules and that needs to sort of come in place. So I think in general, we feel good about where we are right now, but there's still work to be done. We've been a very disciplined management of our capital and how we allocate it to make sure we give a good return to investors. And I've said that from the beginning. We're very confident where we are in Plant 1. These criteria have to be met on Plant 2 and 3, and they get met, we build. If they don't, we don't. We'll deploy capital in the way other places.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Great. No, that's very helpful to frame out. If we jump back to the base business, maybe let's start with fibers because I think maybe lost in all the moving pieces of the past 1.5 years, 2 years was really a nice improvement in the Fibers business and the profitability. And I think you alluded to on the call, a bit more visibility or clarity in the next 1, 2 or 3 years here. So can you maybe just unpack that a bit, just where the industry stands today versus the past few years overall?

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Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

So I would say it's been a tremendous success in recovery of earnings, not just a bit of a success. We've got the earnings back to where they used to be historically before a number of disruptions hit the marketplace in 2015. It took a decade to get there, right? So it's been a long journey, but the margins and the cash flow, which is exceptionally high quality in this business for sort of investment in whether it's share repurchases or plans, has gone really well. And it's structural.

So what's happened in this marketplace is it became loose for a number of reasons back in the sort of '14, '15 time frame due to some backward integration in China and some other overstocking issues in China that is not worth getting into now, but it really loosened the markets certainly. But from '15 to '22, a couple of things happen. Importantly, demand didn't decline nearly as much as people thought. So people thought it declined 2% to 3%, turned out to only decline 0% to 1%. And that's largely driven on a mix basis.

So within the demand, heat-not-burn has been growing 15% with Philip Morris as a replacement of traditional cigarettes as a sort of reduced risk product. And that growth is offsetting some of the natural decline netting out to a slower to growth rate, and there's no sign of that slowing down. So that's, I think, pretty good. And then on the supply side, a number of companies rationalize capacity or converted it into other uses like we took our facility and converted it from making tow for cigarettes to making Naia textile fibers, which is now almost sold out.

So the supply side, a lot of corrections, both in capacity reductions, which was about 10% of capacity. And then in addition to that, you had actually a 15% capacity pulled out and then an additional 10% to 15% loss of effective capacity. So the market has been moving to like slim cigarettes or TiO2 free cigarettes, but all these more complicated filters that slow the plant down to the pace at which they can run. So you lose effective capacity in the remaining assets. So the asset utilization is now in the mid-90% range.

And so the market is tight. And the value of a filter, which is a very small percentage of the final price of a cigarette, is very high. So security supply is, by far, most important to these customers because they can't risk losing margin on a cigarette because they don't have a filter. And so their mentality switched back to what it was for a decade leading up to 2014 on that being the #1 priority. And as a result, we were able to get very sort of reasonable contracts to improve our margins back to being as an industry reliable suppliers.

And 100% of that is contracted this year, 90% next year in '25 and 70% in '26. So stability, at least through 3 years is good that these earnings will hold up and the cash to come out of this business. And there's no meaningful new capacity yet under construction that would sort of change this balance. I mean at some point, there may be, but I think we're in very good shape for at least 3 years.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Great. And then maybe pivoting over to Advanced Materials and AFP, two of your structurally, I would argue faster growing, more specialty type businesses. With where the portfolio is right now, and obviously, there's been some tweaks over time. What's sort of the 2 or 3 biggest growth drivers for these businesses? What should investors be focused on to really appreciate the value that you guys have there now?

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

So Advanced Material has been a great business. If you look at its decade of growth from 2010 through -- even 2020 and held up there, '21, it was a great year as well. And then '22, we started running some demand issues, especially in the fourth quarter of '22. We also had the streamline event that sort of -- was a short-term disruption to our ability to serve the market. But the challenge in that business is just demand, right?

The margins from a price cost relationship point of view are very good. We had tremendous inflation across the entire company, $2.4 billion of inflation from '20 through '22, which was pretty extraordinary, and we're able to keep our pricing up for all of that inflation, right? Now we're at a much higher altitude some of that raw material is coming off, and we're showing good discipline to offset that, as we told you, is pretty extraordinary to hold -- have a $450 million volume headwind, $50 million FX headwind, have set all of that with price cost improvement, right, in '23.

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So that's a good starting point. And now it's really just a volume question. The entirety of the earnings hit last year wasn't variable margin. The component is actually a neutral, right, it was just asset utilization and $110 million of pension expense is actually the entirety of the earnings decline in '23 versus '22. So the underlying quality is actually a lot better than it sort of seems on the surface. And this year, it's about the first step of just getting destocking behind us, right?

That's at $150 million of recovery at the corporate level and a very large portion of that sits in Advanced Materials. Both of the destocking recovery and half of that $100 million as utilization is also sitting in Advanced Materials, right? So a number of fairly large improvements are sort of back-end loaded on some of this when you think about Kingsport methanolysis as well as the asset utilization. But AM is well positioned to start recovering in a pretty meaningful way relative to last year. Still got a way to go compared to the $600 million and $700 million kind of numbers that we were talking about and when you go back to '21.

But if we can get this level of recovery that we're guiding to be greater than $450 million this year, just with the lack of destocking and then the markets start to stabilize and recover, and we're starting to continue to fill out the methanolysis plant, continue to deliver our own growth above the automotive market with their innovation on EVs and HUD. You can -- and the margins are pretty high.

So when the demand comes back, that flows against a pretty large fixed cost that hurt us last year, the mirror image looks the same on the recovery. And our current forecast doesn't really have any market recovery and it doesn't have any restocking in it for this year, right? So when you start getting that market recovery and some amount of restocking because they definitely have overshot the mark I think, in most of the supply chains, '25 can be pretty meaningfully better than '24.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Great. I'll pause here if there's any questions. Again, I've got a number more to chat with Mark about. But if there are any questions from the audience.

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

Happy to take any.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Well, I'll keep talking. Not to get too granular, I just want to make sure I understood some of your comments earlier. But it sounds like relative to earnings and again, our earnings maybe a few weeks ago, and I appreciate we're only, say, in mid-February here, but propane's maybe a little bit higher, demand maybe a little bit better. So those are kind of netting out as we sit here right now to kind of back to where we were. Is that sort of the right...

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

yes, pretty much.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

And again, March is always the month that makes or breaks the core...

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

You heard the speech from another company or 2.

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Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

I've got 14 companies here and I think 13 others have said that.

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

I think that's about right. We still feel good about the range we have. As you said, volume is a little bit better in the specialties, the winter storm that hit Texas, in the propane or a bit of a headwind to CI. And I think Fibers is doing reasonably well. There's a bit of a customer order pattern thing. It's a little bit lower than normal in Q1 but doing okay. So we feel pretty good about Q1.

The big question is how you deliver Q2 -- so that's a big step up for all the -- I think everyone, the way they've guided started out with a pretty conservative Q1 but a pretty good looking full year. And I think there are a number of tailwinds that are very real for us in that step-up. There's some basic seasonality for that step up.

And then there's the sort of unusually low fluid fills and customer orders and fibers that gives you a step up. You've got very low natural gas prices are going on right now. but very little that will show up in Q1 because we buy on contract not spot. So we don't even see the benefits of those spot prices until a bit in March, but much more in the second quarter. So -- and propane will very come off from where it is right now.

So there's a lot of different elements to sort of how you get that sort of step up into Q2 and then the back half has all of the $100 million utilization and has the good portion of that $75 million of methanolysis. So that's part of why second half is so much better.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Well, maybe last one here. I know we've got about 2 minutes left. The Eastman portfolio, I think since you got there, it's changed a lot. There's been a lot of change in the world, frankly. And I think one of the things that you've always talked about for Eastman is just the innovation theme around continuing to adapt, continuing to evolve sort of as the world is what it is. So when you talk to investors, counterparties, what do you think people perhaps underappreciate or don't fully -- I don't want to say understand, but appreciate where your spend is today versus maybe Eastman of 2014 or 2015 or I guess it's almost 10 years.

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

Yes. So look, I think that the portfolio has changed a lot. It actually changed a lot from 2007 to 2012. That's really going back in history, but we were very early, I think, in really curating our portfolio, right? So we sold off $3.5lion revenue in commodities back then, including PET. And then -- and we bought Solutia, Taminco, added about $4.2 billion of very high-quality revenue in what we did in '12 to '14 then we consolidated and focused on, okay, that's our portfolio, how do we optimize and drive a lot of innovation-driven growth out of that, which we have done.

And then we've also optimized portfolios recently with Tires, Adhesives. So it is a very good portfolio of where it stands right now. I think what's unique about Eastman on the upside is the circular platform gives us an additional lever to create our own growth and just waiting for markets to get better, which we're also collectively doing, right? And I don't think any value from the methanol facility is in our valuation at this stage. I think everyone is still waiting to see the plant run, which is understandable and start delivering on that $75 million EBITDA to show that not only does the plant run, but it actually can make a profit, right?

So I think there's a lot of upside that's unrealized in evaluation around that as well as the ability to sort of build additional plants off of that platform. And I think there is some caution in the valuation right now around Advanced Materials that has delivered so much -- very strong growth, right? If you look at a decade of proven success, but a real challenge in '22, '23, right? So I think we've got to come back out of that, which we intend to do starting in the first quarter and see that segment will get back to being the largest segment that's delivering the most growth. And then as we continued stability in AFP and some modest growth there.

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So I think that the valuation which obviously seems a bit low from our opinion, which is probably true, every CEO has some upside. And it's asserting it. We got to deliver on AM and get that earnings recovery. We need to get this plant running and show how that's sort of delivering value. And I think those are the key elements that are -- what we're focused on. Now we can't control the end markets. We know that. But what we can do is create a lot of our own growth through innovation, which I think we're well positioned to do.

And there will be some degree of market recovery in this business when it comes to all these markets that are extraordinary low demand levels. I mean, existing home sales and a 28-year low, right? It drives a lot of growth for us when it comes back. And the fixed cost leverage of this business is high. So that's great when you're growing because if e earnings fall down to the bottom line impressive way. It's also pretty tough when things aren't there like last year. But it's all sort of macroeconomic driven, and that means it will come back and there'll be a lot of upside.

Michael James Leithead - *Barclays Bank PLC, Research Division - Research Analyst*

Caution and valuation usually means opportunity. So Mark, Greg, appreciate it as always. Appreciate Eastman taking part here today. So thank you.

Mark J. Costa - *Eastman Chemical Company - Chairman & CEO*

Thank you.

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